

Webb County, Texas
Statement of Net Assets
Proprietary Funds
September 30, 2006

	<u>Enterprise Fund</u>	<u>Internal Service</u>
	<u>Water Utility</u>	<u>Funds</u>
ASSETS		
Current assets:		
Cash and investments	\$ 1,659,652	\$ 5,671,354
Accounts Receivable, net	224,292	-
Deferred charges	356,389	-
Due from other funds	2,056,146	303,014
Other receivables	3,225	-
Inventories	11,940	-
Total current assets	<u>4,311,644</u>	<u>5,974,368</u>
Non-current assets:		
Capital Assets:		
Land and improvements	216,295	-
Infrastructure in progress	3,864,252	-
Infrastructure	6,032,321	-
Utility System	747,627	-
Buildings	496,623	-
Equipment and furniture	378,885	84,068
Less Accumulated depreciation	<u>(1,287,721)</u>	<u>(79,301)</u>
Total non-current assets	<u>10,448,282</u>	<u>4,767</u>
Total assets	<u><u>14,759,926</u></u>	<u><u>5,979,135</u></u>

The accompanying notes are an integral part of these financial statements.

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	<u>Enterprise Fund</u>	<u>Internal Service</u>
	<u>Water Utility</u>	<u>Funds</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	66,003	608,785
Salaries payable	23,095	-
Accrued interest payable	55,684	-
Due to other funds	3,752,057	2,599,284
Other accrued expenses	172,068	135,682
Compensated absences	15,881	22,812
Claims and judgments	-	1,127,627
Bonds, notes and loans payable	228,071	-
Total current liabilities	<u>4,312,859</u>	<u>4,494,190</u>
Non-current liabilities:		
Compensated absences	24,239	-
Claims and judgments	-	313,949
Bonds, notes and loans payable	6,504,674	-
Total non-current liabilities	<u>6,528,913</u>	<u>313,949</u>
Total liabilities	<u>10,841,772</u>	<u>4,808,139</u>
NET ASSETS		
Invested in capital assets, net of related debt	3,618,563	4,767
Restricted for debt service	409,374	-
Unrestricted	(109,784)	1,166,227
Total net assets	<u>\$ 3,918,153</u>	<u>\$ 1,170,994</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	53,062	
Net assets of business-type activities	<u>\$ 3,971,215</u>	

Webb County, Texas
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended September 30, 2006

	<u>Enterprise Fund</u>	<u>Internal Service</u>
	<u>Water Utility</u>	<u>Funds</u>
REVENUES		
Charges for services	\$ 1,311,321	\$ 9,359,085
Miscellaneous	34,900	-
Total operating revenues	<u>1,346,221</u>	<u>9,359,085</u>
OPERATING EXPENSES		
Personnel services	592,254	-
Contractual services	10,606	53,169
Utilities	259,898	-
Repairs and maintenance	59,307	-
Other supplies and expenses	184,470	2,401
Insurance claims and expenses	-	8,197,573
Depreciation	307,670	5,938
Total Operating Expenses	<u>1,414,205</u>	<u>8,259,081</u>
Operating income (loss)	<u>(67,984)</u>	<u>1,100,004</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest and investment revenue	58,978	210,285
Interest expense	(338,498)	-
Total non-operating revenue (expenses)	<u>(279,520)</u>	<u>210,285</u>
Income (loss) before contributions and transfers	(347,504)	1,310,289
Transfers in	166,414	12,640
Transfers out	-	(362,640)
Change in net assets	(181,090)	960,289
Total net assets - beginning, restated	4,099,243	210,705
Total net assets - ending	<u>\$ 3,918,153</u>	<u>\$ 1,170,994</u>
Change in net assets, per above		
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	16,411	
Change in net assets of business-type activities (page 48)	<u>\$ (164,679)</u>	

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Webb County, Texas
Statement of Cash Flows
Proprietary Funds
For Year Ended September 30, 2006

	Business Type Activities Enterprise Fund <u>Water Utility</u>	Governmental Activities Internal <u>Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 1,361,601	\$ 9,359,088
Premiums from participants		
Payments to employees	(590,646)	(8,207,859)
Payments to vendors, suppliers, and insurance administrators	(547,598)	
Internal Transactions	(457,420)	
Net cash provided by operating activities	<u>(234,063)</u>	<u>1,151,229</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES		
Transfers In	166,414	12,640
Transfers Out		(362,640)
Net cash provided by non capital financing activities	<u>166,414</u>	<u>(350,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Infrastructure	(5,602,256)	
Infrastructure in Progress	4,955,355	
Short Term Notes Payable	70,815	
Interest Paid on Debt	(315,969)	
Issuance Cost for Bonds	(16,198)	
Net cash provided by capital financing activities	<u>(420,127)</u>	
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	58,978	210,285
Net cash provided by investing activities	<u>58,978</u>	<u>210,285</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>(428,798)</u>	<u>1,011,514</u>
Cash and pooled investments, beginning of year	2,088,450	4,659,840
Cash and pooled investments, end of year	\$ <u><u>1,659,652</u></u>	\$ <u><u>5,671,354</u></u>
Reconciliation of operating income to net cash provided (used) by operations:		
Operating income	\$ (67,984)	\$ 1,100,004
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	285,944	5,938
Amortization	21,726	
(Increase) Decrease in Due from Other Funds	524,016	2,094,452
(Increase) Decrease in Accounts Receivable	17,324	
(Increase) Decrease in Other Receivable	(1,944)	
(Increase) Decrease in Inventories	2,423	
Increase (Decrease) in Accounts Payable	1,262	56,091
Increase (Decrease) in Other Payables	(41,807)	29,121
Increase (Decrease) in Accrued Liabilities		(347,916)
Increase (Decrease) in Accrued Wages Payable	2,185	
Increase (Decrease) in Accrued Interest Payable	4,805	
Increase (Decrease) in Due to Other Funds	(981,436)	234,067
Increase (Decrease) in Funds Held In Trust		(2,164,740)
Increase (Decrease) in Short-Term Risk Liability		511,935
Increase (Decrease) in Long Term Risk Liability		(367,723)
Increase (Decrease) in Short Term Accrued Compensated Absences	1,408	
Increase (Decrease) in Long Term Accrued Compensated Absences	(1,985)	
Total adjustments	<u>(166,079)</u>	<u>51,225</u>
Net cash provided by operating activities	\$ <u><u>(234,063)</u></u>	\$ <u><u>1,151,229</u></u>

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